cost, capability to handle larger volume of customer and transactions on real time basis and thereby improving the Bank's profitability through enlarging the customer base. The bank has not analyzed the impact of the technology plan on the Indian economy as they do not have any data to assess such an impact.

Revival of weak TCOs by IDBI

643. DR. ARUN KUMAR SARMA: Will the Minsiter of FINANCE AND COMPANY AFFAIRS be pleased to refer to the answer to Starred Question 502 given in the Rajya Sabha on the 28th August, 2001 and state the details of the para-wise action taken on the specific action plan prepared by IDBI for revival of all the weak TCOs including NEITCO submitted on restructuring the Technical Consultancy Organizations and the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COPMANY AFFAIRS (SHRI ANANT GANGARAM GEETE): A Rajya Sabha Starred Question No 506 regarding Restructuring of Technical Consultancy Organisations (TCOs) raised by the Hon'able Member was answered on 28-8-2001.

As per the information provided by IDBI, it had commissioned an independent study by Moores Rowland Consulting Pvt. Ltd. (MRCL) to look into the operational and financial difficulties being faced by some of the TCOs. The findings of the study revealed that having regard to the changing scenario in the post-liberalisation era, a thorough restructuring of TCOs would be required for improving their competitiveness and ensuring their long term viability. These findings were discussed in a joint meeting of all the TCOs. However, due to substantial divergence in the views expressed by TCOs, a common approach for tackling the multifarious issues could not emerge.

A review note was thereafter placed before IDBI's Executive Committee at its meeting held on August 29, 2001. The Committee felt that, in the changed context, TCOs had lost much of their relevance and it was necessary to initiate action to close the non-performing TCOs. Accordingly, IDBI had again commissioned MRCL to carry out a viability study of weak TCOs and to suggest specific measures for their revival/ closure. MRCL has since submitted its draft report and, after taking into

account the nature of operational and financial problems being faced by these TCOs it has recommended closure of BITCO, JKITCO and ORITCO.

On assessment of NEITCO'S past performance, business profile, future prospects, business plan, views of stakeholders, industrial and developmental scenario of the States, policies of Central and State Governments for rapid development of the States in the North-Eastern region, the consultants have opined that it may be possible for NEITCO to continue its operations on a self sufficients basis if the existing creditors and employees agree to settle for only about 20% of their dues to be payable over next five years. Two other alternatives viz. NEITCO being taken over by one of the State Governments or conversion of NEITCO into a branch of another TCO say WEBCON, have also not been found to be feasible in the light of discussions held with some of the State level institutions and WEBCON. Thus, in case the employees and creditors are not agreeable to the settlement of their dues, the consultants have indicated that closure of NEITCO might be the only option left.

Liquidity crisis in IFC

644. DR. MANMOHAN SINGH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Industrial Finance Corporation of India is facing a severe liquidity crisis; and

(b) if so, what measures have been adopted by Government/RBI/ IDBI to deal with this crisis?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) Industrial Finance Corporation of India has reported that it is facing liquidity problems owing to the assess-liability mismatch. In the measures adopted till yet Government of India have infused Rs 400 crores in IFCI on 30th October, 2001 by way of investment in 20 years 9.75% Convertible Debentures in order to augment the capital of IFCI. IDBI. had agreed to infuse Rs. 200 crore through non-convertible preference shares subject to certain conditions. RBI on its part at the request of IFCI accorded following treatment: